



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE
HUMAN RESOURCES DIVISION
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Personnel Administrator

MEMORANDUM

TO: Cabinet Secretaries, Division Directors and Agency Heads

C: Human Resources Directors

FROM: Patricia S. Wada, Acting Personnel Administrator *PSWada*

DATE: February 14, 2002

SUBJECT: Procedures Relating to the Early Retirement Incentive Program

On December 31, 2001, Governor Swift signed into law Chapter 219 of the Acts of 2001, which provides for an Early Retirement Incentive Program (ERIP) for employees in the Commonwealth's executive branch. Attached is a document entitled, "Early Retirement Incentive Program (ERIP) Questions and Answers", which provides guidance on ERIP eligibility and other operational issues relating to ERIP. This "Q and A" has been posted on the HRD Intranet site, as well. The purpose of this memorandum is to provide an overview for processing retirements under ERIP. Detailed job aids will be posted in the HR/CMS Knowledge Center, on or about March 1, 2002, that will give step-by-step instructions for processing early retirements on HR/CMS.

Chapter 219 sets forth a number of administrative requirements, including the production of reports detailing the compensation and leave balances of those retiring under ERIP; the need to cash out vacation and sick leave balances over three yearly installments and a process for controlling the backfilling of positions vacated through ERIP. The following procedures will allow us to comply with these requirements.

Use of Positions Vacated Through ERIP for Other Purposes

Positions vacated through ERIP, hereafter referred to as "ERIP positions", must not be used for any other purpose than that prescribed in these instructions. If there is an impact from layoffs and bumping on the ERIP positions, call your HRD Personnel Analyst for assistance.

Processing ERIP Retirements

When it is confirmed that an employee is retiring under ERIP, you will need to terminate the employee with pay in HR/CMS, following the job aid in the Knowledge Center for this purpose.

Identifying and Tracking ERIP Positions

ERIP positions will be marked by HRD with a special identifier. This “ERIP Position” identifier will be captured in the Information Warehouse for use in reporting on and tracking ERIP positions.

Inactivating ERIP Positions

HRD will inactivate the ERIP positions. Once inactivated, the ERIP positions will not be backfilled, except through the prescribed ERIP scheduling and backfilling process. Detailed instructions relating to this process will be issued by the Fiscal Affairs Division within the next two weeks.

Payment of Cashouts of Sick and Vacation Leave

Users will need to enter the payments for cashouts of Sick and Vacation leave in HR/CMS. Further instructions on the cashout process will appear in a future memorandum and a job aid posed on the knowledge Center. The use of the action code of “TWP” (terminated with pay) will allow for the cashout payments to be made to those retiring under ERIP, without the need to rehire them before each cashout payment. The first, second and third payments will be made on July 19, 2002, July 18, 2003 and July 16, 2004, respectively. It is recommended that employees remain on Direct Deposit for these payments.

960-hour (120-day) Appointments of ERIP Retirees

The decision to allow pensioners to return to work rests with your agency head, subject to the following conditions:

- There is a Limit of 960 hours in any calendar year for pensioners returning to work.
- The pensioners returning to work are not eligible to enroll in any retirement system. Therefore, no retirement contributions are deducted.
- The pensioners’ post-retirement earnings, when added to their pension payments, cannot exceed in a calendar year what they would be earning from the position if they had not retired, and were still working full-time.
- Pensioners returning to work must certify annually, to their employer and the Office of the State Treasurer, the amount of earnings and the hours worked and the limit of annual earnings allowed under this section of law.
- The pensioner must return any overpayment for excessive hours worked or excessive pay received.
- These people would be hired with a 120 day appointment action reason (“HIR” – “RFR” – “120 Days after Retirement”).
- HRD will establish excess quota positions for these appointments.
- Further instructions on the approval process for making 960-hour (120-day) appointments for employees who retired under ERIP will be issued by Office of the Chief Secretary.

These instructions pertain only to employees leaving the Commonwealth under the ERIP program. Further instructions will follow regarding refilling positions vacated through the ERIP and the cashing out of vacation and sick leave balances under ERIP. As always, I am thankful to your thoughtful attention to these important matters. If you have questions regarding this memorandum, please contact Marc Chavanne at (617) 727-3777, extension 532.

Attachment: Early Retirement Incentive Program (ERIP) Questions and Answers